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Ch/c

20 June 1955

CH/D/E

Status report concerning the work of the Drafting Group of the Dodge Council on the overall review of economic defense policy.

The Drafting Group has received and discussed approximately half of the twenty Staff Studies being prepared in various Agencies of the government. Where the subject matter appeared to indicate ERA or OCI interest, D/E has coordinated the draft papers with the interested divisions, in spite of the fact that copies are often received from reproduction only a day or two before discussion in the Drafting Group.

The exact status of the Staff Studies is given in the attachment hereto.

The Drafting Group proposes to suggest to the Steering Committee at the 10 o'clock meeting 21 June that the presentation to the Dodge Council consist of three parts:

1. Overall statement of policy being prepared in draft by Mr. Goodkind, State, which may be submitted to the Drafting Group meeting today at 3 p.m.
2. Comparative Draft of Revised Statement of Policy on Economic Defense (i.e. suggested revision of RSC 152/3) to be discussed by Drafting group today, 20 June, and Steering Committee tomorrow, 21 June.
3. An appendix consisting of copies of the Staff Studies. (Abstracts of these studies may be made for the final presentation.)

It is hoped that the whole problem will be cleared through the Steering Committee so that the final result may be presented to the Dodge Council by June 30 at the latest.

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D/E/RR (20 June 1955)

Distribution:

Orig. and 1 to addressee

1-AD/RR

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20 June 55

SECRET Drafting Group Staff Studies ReceivedStaff StudyReviewed by# 1 Evaluation of Objectives and Criteria for Controlling Trade with the Soviet Bloc

State and CIA

Received in W/S 14 June 55; at request of D/A, 15 copies sent to D/A for distribution by them to WEA; 3 to Ch/C/EE; 1/2 (1/c and 1/st).

25X1A9a

Received telephone clearance 17 June from 1/ST [REDACTED]

2 Trade of the European Soviet Bloc in Agricultural Products

State

Received 7 June 55 in W/S; sent to: Ch/C/EE; Ch/W/A; 1/2 (1/c and 1/st).

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Cleared with W/A [REDACTED] 10 June and 1/ST [REDACTED] on 12 June 55.

Discussed at Drafting Group meeting 10 June 55.

3 Foreign Attitudes Toward Economic Defense

State

Received in W/S 9 June 55; sent to: Ch/C/EE; Ch/Western Division/OOI (via [REDACTED]); 1/2 (1/c and 1/st). 25X1A9a

OOI (Near East) [REDACTED] comments transmitted to Drafting Group meeting 13 June 55.

7 Uniformity of Participation in Free World Controls

WECAC

Received in W/S 10 June 55; sent to: 1/2 (1/c, WEC, 1/st) from Ch/C/EE. (3 copies received)

Discussed at Drafting Group meeting 13 June 55.

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Staff Studies Received
(continued)

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Staff Study

Prepared by

9 U.S. Attitude Toward Exports to the European Soviet Bloc of Non-Strategic Commodities

State

Received in D/E 7 June 55; sent to: Ch/C/RR; D/E (E/C and E/ST)

Discussed at Drafting Group meeting 10 June 55.

11 Use of Inducements or Pressures on Free World Countries in Support of the U.S. Economic Defense Program

Commerce

Sent to: Ch/C/RR; D/E (E/C and E/ST).

Discussed at Drafting Group meeting 1 June 55.

Revision received in D/E 10 June 55; sent to: Ch/C/RR; D/E (E/C and E/ST).

12 Economic Penetration of Underdeveloped Areas by the Communist Bloc

State (with WDAC Working Group 5)

Approved in principle by ERA and D/E in earlier draft of WDAC Working Group 5.

Discussed at Drafting Group meeting 1 June 55.

Revision received in D/E 9 June 55; sent to: Ch/C/RR; D/E (E/C and E/ST).

13 THE ECONOMIC PROBLEMS OF THE COMRADELY CAMPAIGN Review of Paper Accomplish-

Commerce

Received in D/E 7 June 55; sent to Ch/C/RR; D/E (E/C and E/ST).

Discussed at Drafting Group meeting 8 June 55.

14 NATO, SEATO, and the Economic Defense Program

Defense

Received in D/E 10 June 55; sent to: Ch/C/RR; D/E (E/C and E/ST).

Discussed at Drafting Group meeting 16 June 55.

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Staff Study

Prepared by

* 15 Enhancing the Effectiveness of CC/COCOM/COMUSMACV

State

Received in D/R 10 June 55; sent to CA/C/RH;
D/R (R/C and R/ST).

Discussed at Drafting Group meeting 16 June 55.
It was suggested that Staff Studies #14 and #15
might be amalgamated, and that the Dodge Council
might be asked in the policy paper if further
study should be given to bringing COCOM closer to
the NATO structure.

* 16 U.S. Policies on Enforcement of Controls

NSAC with Commerce
and State

Received in D/R 9 June 55; sent to: CA/C/RH;
D/R (R/C and R/ST).

Discussed at Drafting Group meeting 16 June 55;
D/R suggestions for redraft of paper to be
considered in the revision.

Commemorative Draft of Revised Statement of Policy on Economic Defense

Received 5 copies in D/R on 13 June 55; sent to: RD/RH; CA/C/RH (2);
D/R (R/C and R/ST).

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4. ~~SECRET~~OSR Drafting Group Staff Studies Not Yet ReceivedStaff StudyPrepared by#4 Flexible Application of Controls to Promote Soviet Bloc Unity

State

Draft received D/S 18 May 55.

Paper in process of revision before submission to Drafting Group.

#5 American Commercial and Investment Relations with Communist China

Commerce

Not yet received.

#6 Trade Control Differentials

State

Not yet received.

#8 Extent of Difference between U.S. and Multilateral Controls

Commerce and NSAC

Outline only received.

#10 Export and Financial ControlsTreasury and
Commerce

Not yet received.

#17 Current East-West Trade Trends: Volume and Composition

State

Not yet received.

#18 Current Experience re Soviet Bloc Commercial Orders and Trade Agreement Renewals

State

Not yet received.

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Staff Studies Not Yet Received
(continued)

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8.

Informal Papers to be Prepared by Defense

1. Political Impact of Western Controls upon the Soviet Bloc
2. Economic Structure of the Soviet Bloc

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